ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500 Denver, Colorado 80202

Telephone:

303-573-1222

Facsimile:

303-573-0461

October 19, 2005

State of Utah Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

Attention:

Ms. Diana Whitney

RE:

Request for Exception Well Location

Bonanza 5-20-9-25 Well 472' FWL - 1,952' FNL Sec. 30, T9S-R25E, SLB&M

Uintah County, Utah

Dear Ms. Whitney:

Enduring Resources, LLC respectfully requests a spacing exception for the above-referenced well. The well was moved from the center of the forty-acre spacing.

The well is located at 472' FWL – 1,952' FNL of Section 20.

The location was moved due to topographic considerations and access.

Enduring Resources, LLC is the only lease owner within a 460' radius of the well stake.

Therefore, Enduring Resources, LLC hereby grants itself permission for the exception well location.

Should you have any questions concerning this matter, please do not hesitate to call 303-350-5114 (aarlian@enduringresources.com).

Very truly yours

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian

Landman – Regulatory Specialist

ara/

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500 Denver, Colorado 80202

Telephone: 303-573-1222 Facsimile: 303-573-0461

October 19, 2005

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt lake City, Utah 84114-5801

Attention:

Diana Whitney

RE:

Bonanza #5-20-9-25

Application for Permit to Drill

Dear Ms. Whitney

Attached are two original applications to drill for the above-referenced proposed well. This information has also been submitted to the State of Utah, Institutional Trust Lands Administration.

Enduring Resources, LLC respectfully requests that this information, and future information, be hold confidential.

Should you have any questions concerning this matter, please do not hesitate to call (303-350-5114)

Very truly yours

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian

Landman - Regulatory Specialist

ara/

Attachments as stated:

CC:

State of Utah – School and Institutional Trust Lands Administration w/ attach.

675 East 500 South, Suite 500 Salt Lake City. Utah 84102

Attention:

Ed Bonner

RECEIVED

OCT 2 4 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

DIV. OF OIL, GAS & MINING

ADDITION FOR DEDMIT TO DOLL								5. MINERAL LEASE N	10:	6. SURFACE: State
1A. TYPE OF W	ORK: DI	RILL 🔽 RI	EENTER [DEEPEN				7. IF INDIAN, ALLOTT	EE OR TI	RIBE NAME:
B. TYPE OF W	ELL: OIL	GAS 🗾 O	ΓHER	SIN	GLE ZONE 🔽	MULTIPLE ZON	E□	8. UNIT or CA AGREE		
2. NAME OF OP	ERATOR;							9. WELL NAME and N		1
T	Resources, L	LC						Bonanza #5-		
3. ADDRESS OF 475 17th S	operator: St., Ste 1500	CITY Denver	ST	ATE CO ZIP 80	2 20	PHONE NUMBER: (303) 350-5114	ŀ	10. FIELD AND POOL Undesignate		DCAT:
4. LOCATION O	F WELL (FOOTAGE		10CQ 41	2 X	40.02			11. QTR/QTR, SECTI MERIDIAN:		
AT SURFACE:	472' FWL -	- 1,952' FNL				131939		SWNW 20	98	25E S
AT PROPOSE	D PRODUCING ZON	_{NE:} Same	945	10029	109.	131939				
14. DISTANCE I	N MILES AND DIRE	CTION FROM NEARE	ST TOWN OR PO	OST OFFICE:				12. COUNTY:	$\neg \tau$	13. STATE:
	south of Ve	·						Uintah		UTAH
	O NEAREST PROP	PERTY OR LEASE LIN	E (FEET)	16. NUMBER O	F ACRES IN LEAS		17. NL	JMBER OF ACRES AS	SIGNED T	
472'	O NEAREST WELL	. (DRILLING, COMPLE	TED OR	19. PROPOSED	DEDTH-	640	20 00	OND DESCRIPTION:		40 acres
	R) ON THIS LEASE		ILD, OK	19. FROFOSEL	DEPTH.	6,010	l	B0008031		
	S (SHOW WHETHE	R DF, RT, GR, ETC.):		22. APPROXIM	ATE DATE WORK			TIMATED DURATION:		
5665' GF	R ungraded			12/1/200	05		20	days		
							1			
24. SIZE OF HOLE	CACINIC CITE	ODARE AND MESOUR			ND CEMEN	TING PROGRAM		-		
20"	14"	GRADE, AND WEIGHT	PER FOOT	SETTING DEPTH	0			YIELD, AND SLURRY	WEIGHT	
11"	+	line pipe	0.4#	40	3 yards			y Mix		
11"	8-5/8"	J-55	24#	2,000	Premium I			6 sxs	3.50	11.1
	<u> </u>				Premium	Tail ————————————————————————————————————	13	8 sxs	1.15	15.8
7-7/8"	4-1/2"	N-80	11.6#	6,010	Class G		5	6 sxs	3.91	11.0
·					50/50 Poz	Class G	79	0 sxs	1:29	14.
25.				ATTA	CHMENTS					
VERIFY THE FO	LLOWING ARE ATT	TACHED IN ACCORDA	NCE WITH THE	UTAH OIL AND GAS C		ENERAL RULES				
1771	*. * * * * * * * * * * * * * * * * * *	. **	4		l					
		ARED BY LICENSED (001		PLETE DRILLING PLAN				
✓ EVIDEN	CE OF DIVISION OF	WATER RIGHTS API	PROVAL FOR US	SE OF WATER Y	HI FOR	M 5, IF OPERATOR IS PE	RSON O	R COMPANY OTHER	THAN THE	E LEASE OWNER
		——————————————————————————————————————								
NAME (DI EASE	PRINT) Alvin F	R. (AI) Arlian			#14-1 F	Landman - Re	aulato	orv Specialist		
INVINE (FEEDOL					TITLE		3		·	,
SIGNATURE		MOJ			DATE	10/19/2005				
(This space for St	ate use only)					. Feet				
				Ap	proved b ah Divisio	y the				
API NUMBER AS	SIGNED: 4	3-047-37	314		an Divisi Gaspærad⊥			RECEI OCT 24	\\ \;=:	1
,		- 1101		·	_			00+	7	<i>J</i>
				Date:	- 4754	SIF1 11-		UC1 24	200E	

(11/2001)

T9S, R25E, S.L.B.&M. 1977 Brass Cap 0.3' High, Scattered Stones N89'58'42"W - 2650.98' (Meas.) $N89^{\circ}55'W - 2631.42'$ (G.L.O.) 1977 Brass Cap 0.6° High, Scattered Stones, Steel Post (6.0.0)52, 2648. 2638.02 BONANZA #5-20-9-25 N0072 Elev. Ungraded Ground = 5665' 1977 Brass Cap 0.8' Above 0.5' High Pile of Stones (G.L.O.) 01, 2620.86 2645. N00.02 ,20.005 1977 Brass Cap 0.7' 1977 Brass Cap 0.4° Above Center of 0.7' High, Scattered Stones High Pile of Stones N89°45'37"E - 2637.77' (Meas.) S89°35'W - 2640.00' (G.L.O.) (AUTONOMOUS NAD 83) $LATITUDE = 40^{\circ}01'23.79'' (40.023275)$ LEGEND: LONGITUDE = $109^{\circ}07'57.69''$ (109.132692) (AUTONOMOUS NAD 27) = 90° SYMBOL LATITUDE = $40^{\circ}01'23.91"$ (40.023308) = PROPOSED WELL HEAD. LONGITUDE = 109'07'55.28" (109.132022)

= SECTION CORNERS LOCATED.

ENDURING RESOURCES, LLC

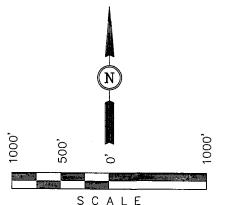
Well location, BONANZA #5-20-9-25, located as shown in the SW 1/4 NW 1/4 of Section 20, T9S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK (45 EAM) LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE, BAN ME OR WINDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

REGISTERED LAND SURVEYOR TO REGISTERATION INTO 101319

ENDURING RESOURCES, LLC

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL UTAH 84078 (435) 789-1017

WARM

Enduring Resources, LLC Bonanza #5-20-9-25 SWNW Sec. 20 T9S-R25E Uintah County, Utah Lease # ML-45558

ONSHORE ORDER 1 - DRILLING PLAN

1. <u>Estimated Tops of Geological Markers:</u>

<u>Formation</u>	Depth (K.B.)
Uinta	Surface
Green River	285'
Wasatch	2,440'
Mesaverde	3,790'
Buck Tongue	5,960'

2. <u>Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals: (5685' estimated KB)</u>

Substance	Formation	Depth (K.B.)		
		- 10		
	KB-Uinta Elevation: 5,665'			
Oil / Gas	Green River	285'		
Oil /Gas	Wasatch	2,440'		
Oil /Gas	Mesaverde	3,790'		
	Estimated TD	6,010'		

An 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2.* A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.



D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

Directional surveys will be dropped every 2000 feet. Maximum allowable angle is 5 degrees.



4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (md)
20"	14" O.D.				40'
11"	8-5/8"	24#	J-55	ST&C	0 – 2,000' est
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6,019'

The surface casing will have guide shoe, 1 jt., insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (md)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40'	14"			
2000'	8-5/8", 24#/ft, J55, STC	1370/1.53(a)	2950/3.30(b)	244/5.85(c)
6,010	4-1/2", 11.6#/ft, N- 80, LTC	6350/2.03 (d)	7780/2.70 (e)	223/3.72 (f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

<u>Surface Casing (if well will circulate)</u> - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	sxs	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1500	Premium cement, + 16% gel, + 0.25 pps celloflake	136	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement +2% CaC ₂ +0.25 pps celloflake	138	25%	15.8	1.15



A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂.+0.25 pps celloflake. Volume as required

Surface Casing (if well will not circulate) - Cemented to surface

		FT. of			EXCESS	WEIGHT	YIELD
CASING	SLURRY	FILL	CEMENT TYPE	SXS	(%)	(ppg)	(ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ , + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	740	Class "G", + 5% NaCl, + 12% Gel, +0.25 pps celloflake, + 0.2% antifoam, +0.25% fluid loss + 1% extender	56	25	11.0	3.91
4-1/2"	Tail	3579	50/50 POZ Class G + 2% gel, +1% CaCl ₂ + 0.2% dispersant, + 0.2% fluid loss, + 0.1% antifoam	790	25	14.1	1.29

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. **Drilling Fluids (mud) Program:**

Interval	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2000'		No cntrl		Air/mist
2000'-3000'	8.4-8.6	No cntrl	28-36	Water
3000'-6010'	8.8-10.2	8 - 10 ml	32-42	Water/Gel



Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. <u>Evaluation Program:</u>

Tests: No tests are currently planned.

<u>Coring:</u> No cores are currently planned.

<u>Samples:</u> No sampling is currently planned.

Logging

 Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML TD to Base Surface Casing

Cement Bond Log / Gamma Ray:
 TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of

this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion

activities.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H_2S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3,130 psi (calculated at 0.52 psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,806 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. Anticipated Starting Dates:

• Anticipated Commencement Date- Within one year of APD issue.

Drilling Days Approximately 10 days

Completion Days - Approximately 10 days

• Anticipate location construction within 30 days of permit issue.

9. Variances:

None anticipated

10. <u>Other:</u>

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Enduring Resources, LLC Bonanza #5-20-9-25 SWNW Sec. 20 T9S-R25E Uintah County, Utah Lease # ML-45558

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the proposed location are as follows:

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 36.5 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING TWO-TRACK ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATLEY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION APPROXIMATELY 46.15 MILES IN A SOUTHEASTERLY DIRECTION.

2. Planned Access Roads:

The proposed access road will be approximately 3/10ths of a mile of new construction approximate 584' (ON-LEASE) and 1,000' OFF-LEASE (BLM). Access to the proposed new access road will by using existing roads. The first 1/4 mile of road after leaving Stanton Road is bladed, ditched and crowned, no upgrading is anticipated. The 1.4 miles of road before reaching the takeoff point of the new access road to be constructed, will need to be upgraded (bladed, ditched and crowned). Please refer to Topo Map "B" for the takeoff point for the new OFF-LEASE and ON-LEASE road construction.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or

upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. <u>Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):</u>

The following wells are wells located within a one (1) mile radius of the proposed location.

a. None:

Water Wells:

b. None:

Injection Wells:

c. One:

Producing Wells: (Hoss #15, API#: 43-047-34756,

SWSE of Sec. 20, T9S-R25E.

d. None:

Drilling Wells:

e. None:

Shut-in Wells:

f. None:

Temporarily Abandoned Wells:

g. None:

Disposal Wells:

h. None:

Abandoned Wells:

i. None:

Dry Holes:

j. None:

Observation Wells:

4. <u>Location of Existing and/or Proposed Facilities:</u>

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes

will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Carlsbad Canyon (2.5Y 6/2). Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:

a.	ON-LEASE	2,103'	State of Utah (SITLA)
b.	OFF-LEASE	1,300'	BLM

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately 3,403 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 2,103 feet (4 inch or less diameter steel), and
- b. OFF-LEASE approximately 1,300 feet (4 inch or less diameter steel).

The proposed pipeline will begin at the well site; continue northeasterly to tie-in into an existing pipeline. The line will be welded together and pulled from the well site location and tie-in point when practical; however, it may be necessary to utilize the access road for welding of the line. The line will then be boomed off to the side of the road. The gas meter run will be located within 500 feet of the wellhead. The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. Location and Type of Water Supply:

Water will be obtained from the White River by Tu and Frum, Inc. Water User Claim #49-2185, Application #T75517, or by Target Trucking Water User Claim #43-2195, or by Dalbo Inc. Water User Claim #43-8496

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

6 Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized fro location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. <u>Methods of Handling Waste Materials:</u>

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit well be constructed on the location and will not be located within natural drainage, where a flood hazard exits or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, brake or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash well will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8 Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.



Producing Location:

- Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- a. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- b. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

The appropriate surface management agency will be contacted for the required seed mixture and dates.

11. <u>Surface Ownership: Location, Access and Pipeline Route:</u>

Wellsite: State of Utah School and Institutional Trust Lands Administration

Access: State of Utah School and Institutional Trust Lands Administration, and

Bureau of Land Management

Pipeline: State of Utah School and Institutional Trust Lands Administration, and

Bureau of Land Management

12. Other Information

Wildlife Stipulations:

Wildlife stipulations and possible activity restrictions will be detailed in the conditions of approval" received with an approved Permit to Drill. Operator will comply with these wildlife stipulations, if any.

Archeology:

A Cultural Resource Inventory Report is being conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust Lands Administration upon its receipt.

Paleontology:

A Paleontology Reconnaissance Report is being conducted for the well location, access route and pipeline. The report shall be submitted to the Division of Oil, gas and Mining and the School and Institutional Trust Lands Administration upon its receipt.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

All lease operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, and the approved Plan of Operations and all applicable Notice to Lessees. The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

ENDURING RESOURCES, LLC BONANZA #5-20-9-25 SECTION 20, T9S, R25E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 36.5 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN LEFT AND PROCEED IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 3.8 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.25 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING TWO-TRACK ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATLEY 1.4 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 46.15 MILES.

ENDURING RESOURCES, LLC BONANZA #5-20-9-25

LOCATED IN UINTAH COUNTY, UTAH **SECTION 20, T9S, R25E, S.L.B.&M.**

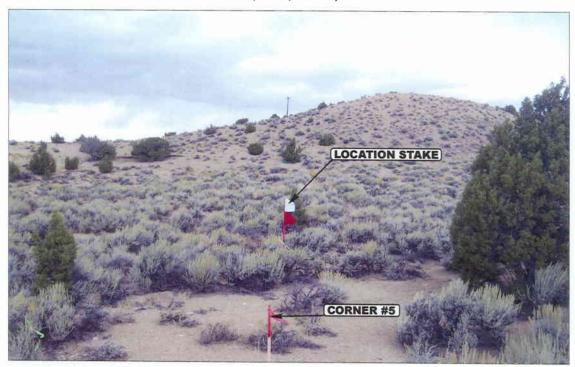


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY

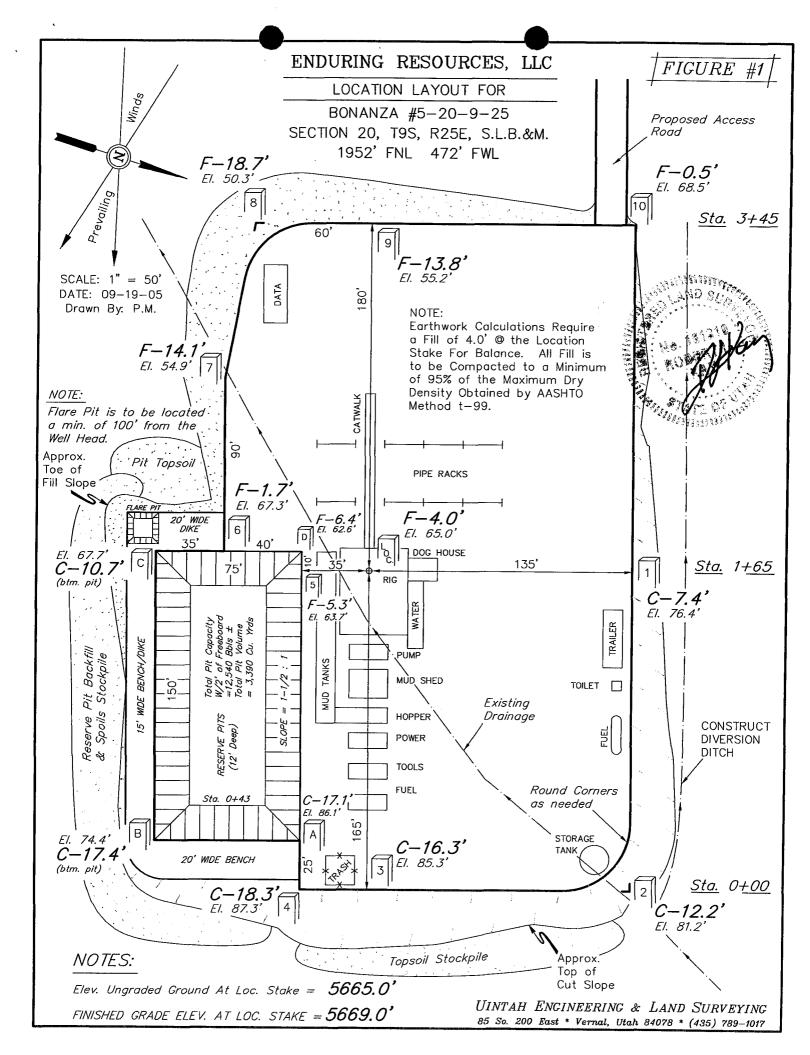


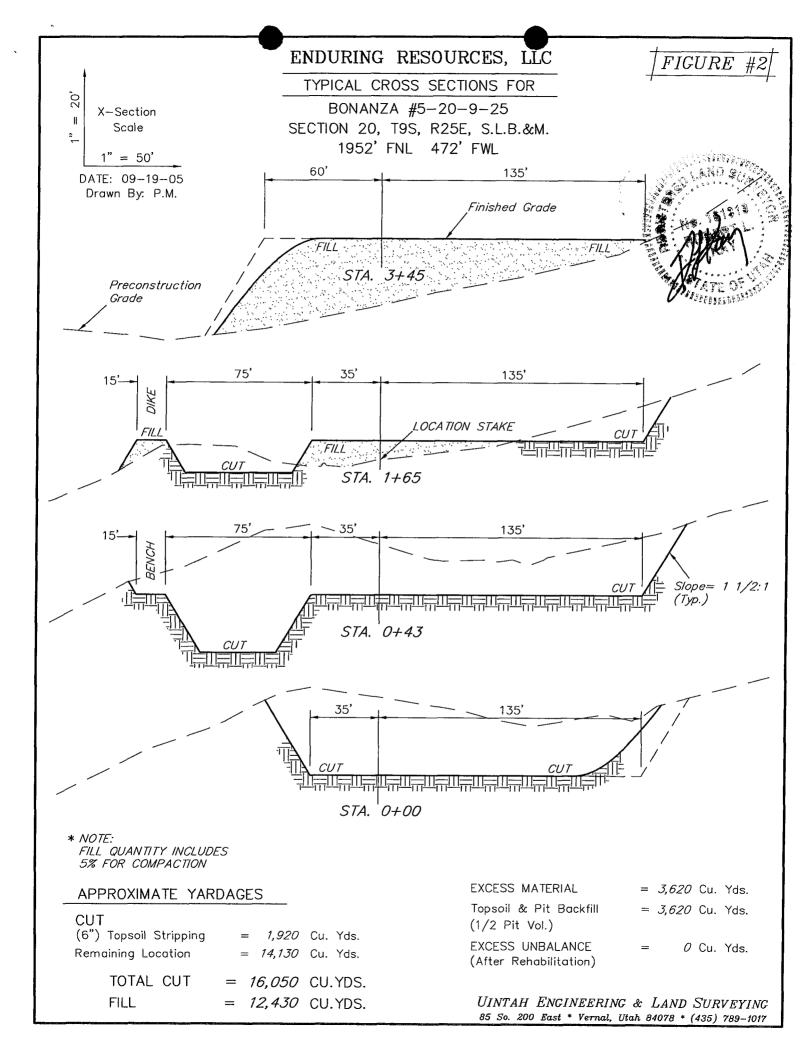
LOCATION PHOTOS

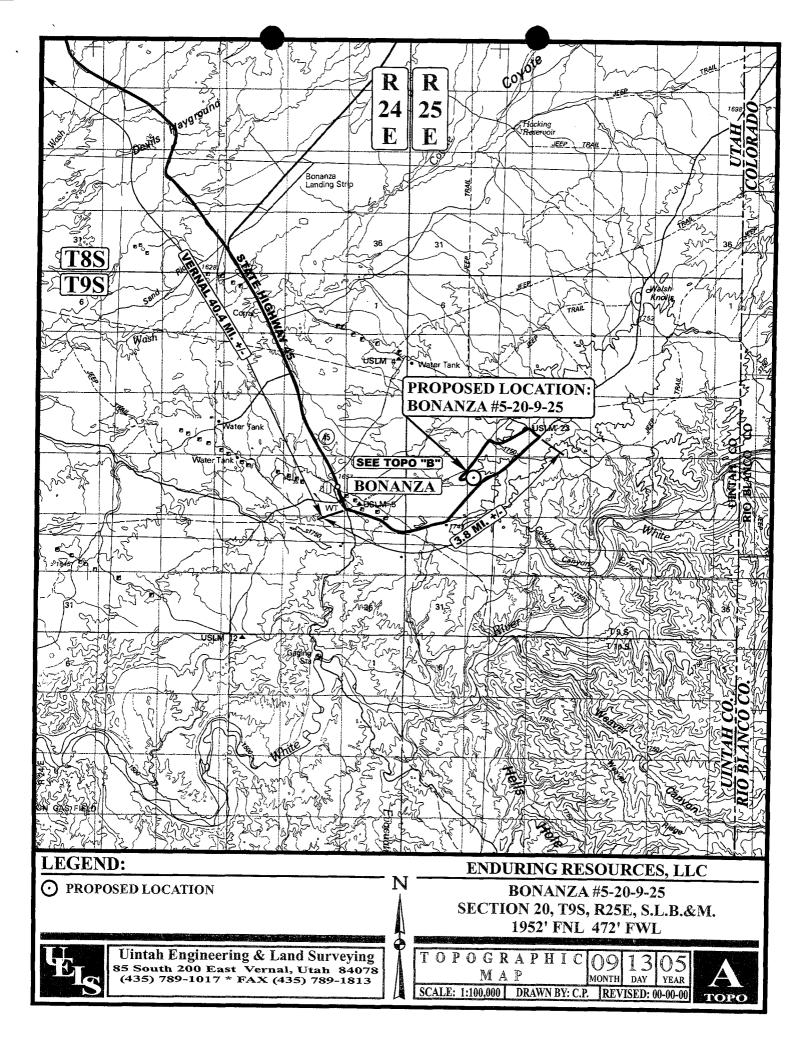
MONTH DAY

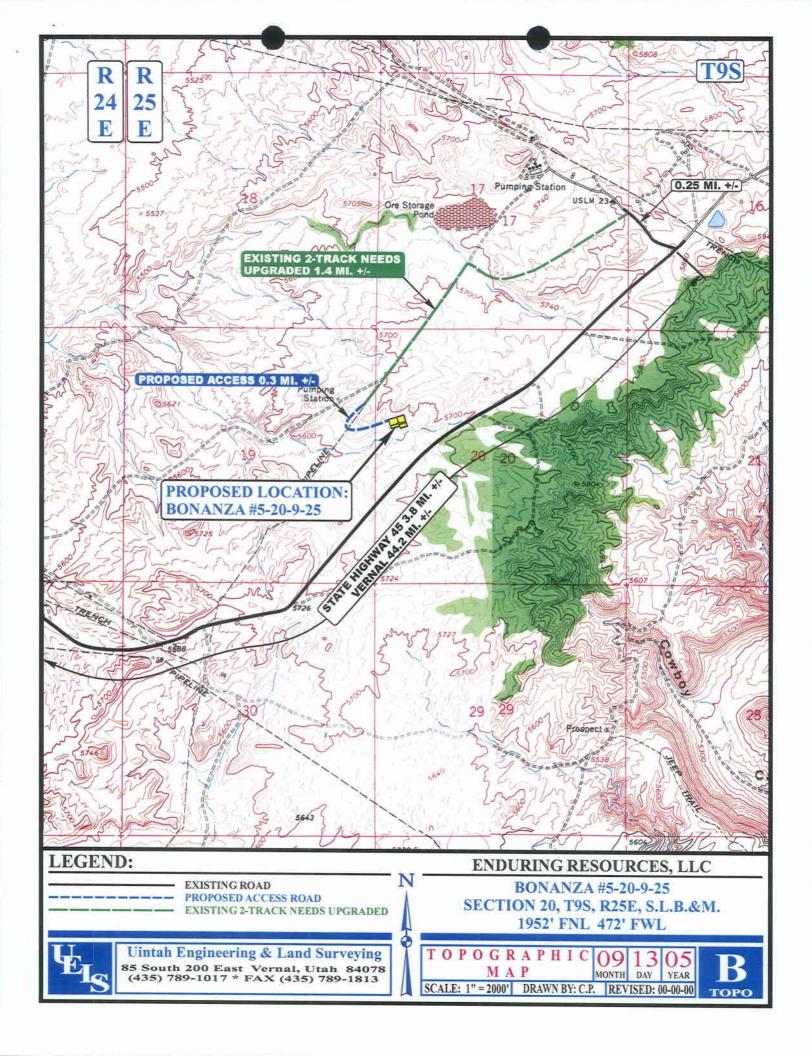
РНОТО

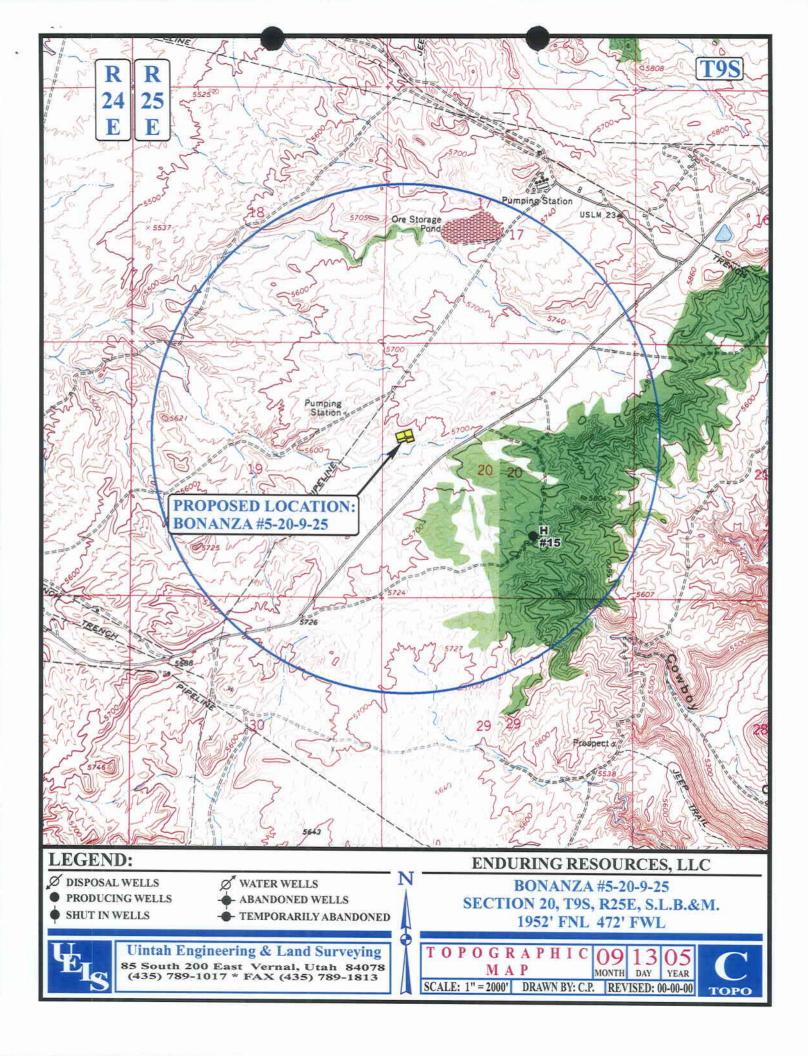
TAKEN BY: N.H. | DRAWN BY: C.P. | REVISED: 00-00-00

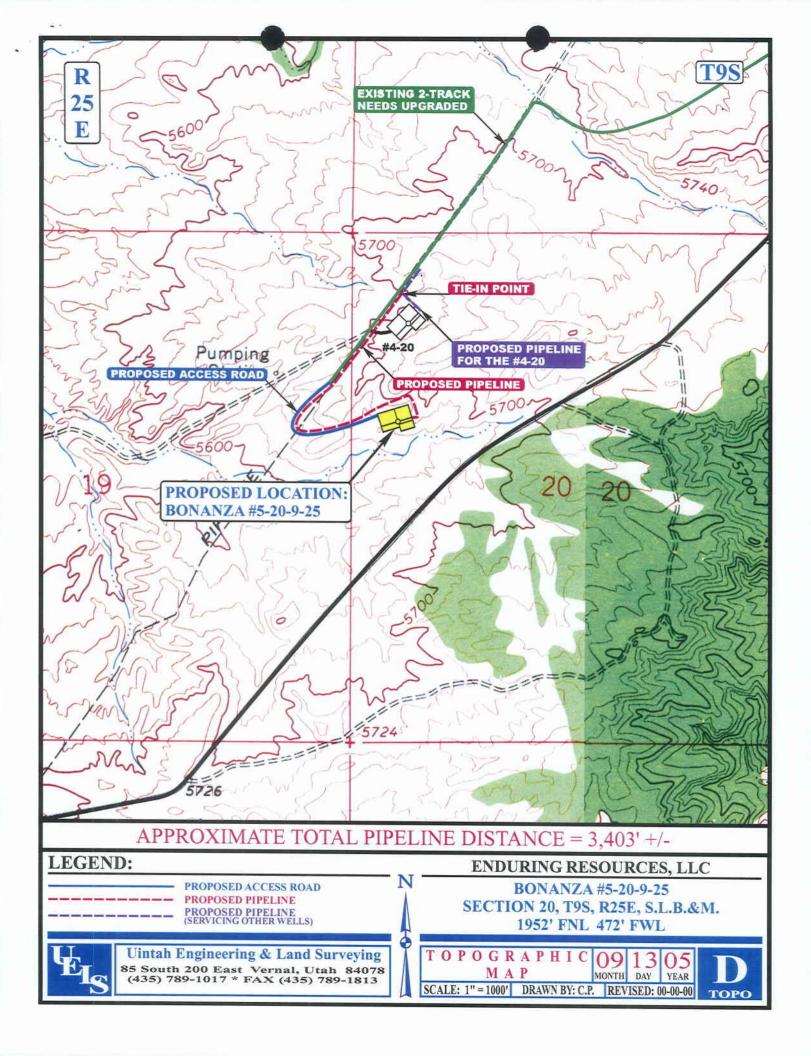




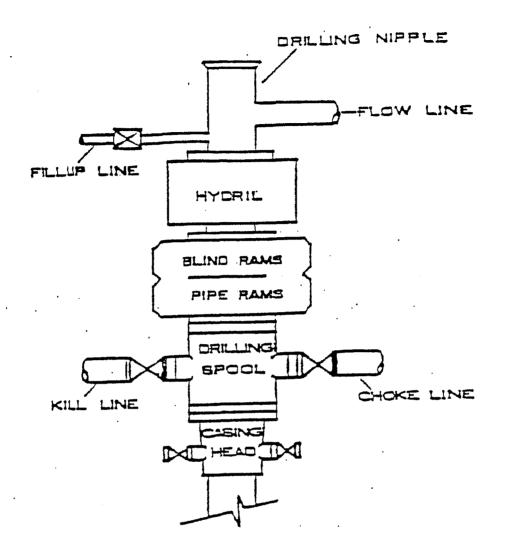


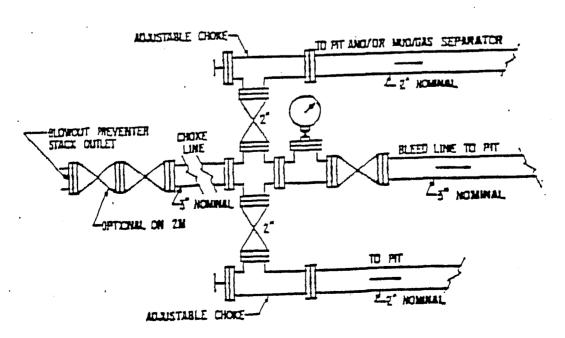




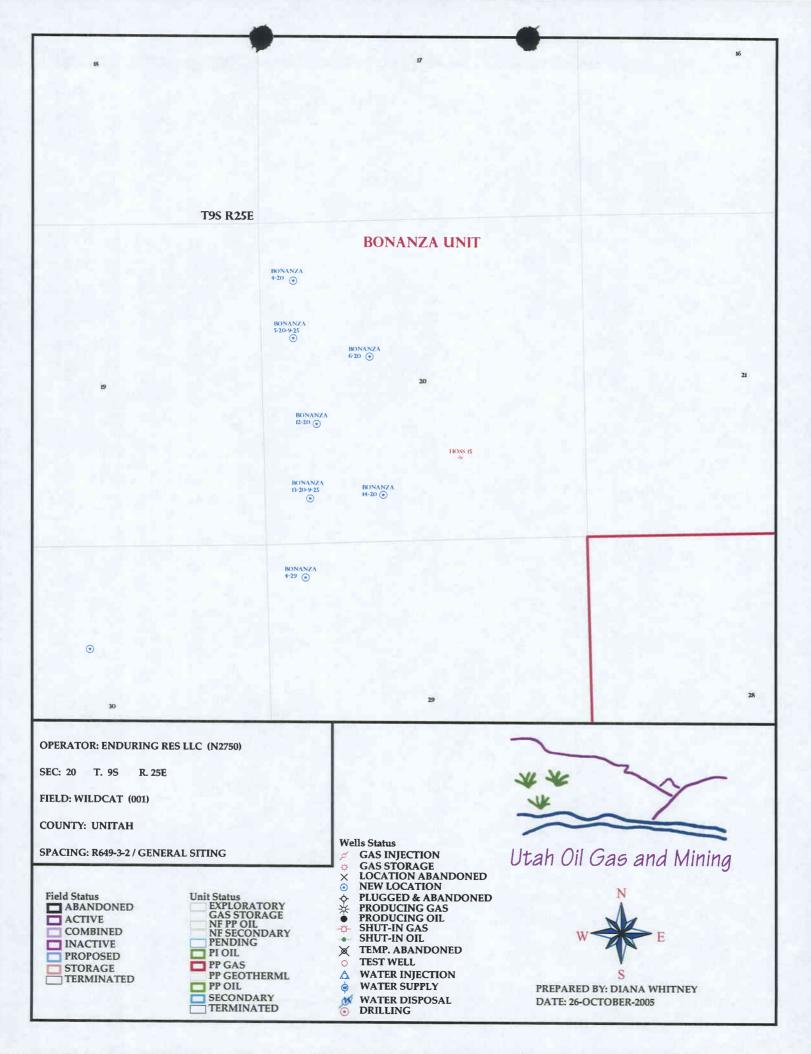


EOP STACK





API NO. ASSIGN	ED: 43-047-373	14		
PHONE NUMBER: 303-350-5114 INSPECT LOCATN BY: / / Tech Review Initials Date Engineering I(/29/05) Geology Surface				
R649-2-3. Unit BONANZA R649-3-2. Siting: 460 F R649-3-3. Drilling Unit Board Cause Eff Date: Siting:	General From Qtr/Qtr & 920' Exception it E No:			
(1-05) BASIS				
	PHONE NUMBER: 3 INSPECT LOCATN Tech Review Engineering Geology Surface LATITUDE: 40.0 LONGITUDE: -109 LOCATION AND SIT:	INSPECT LOCATN BY: Tech Review Initials Engineering Geology Surface LATITUDE: 40.02328 LONGITUDE: -109.1319 LOCATION AND SITING: R649-2-3. Unit BONANZA ✓ R649-3-2. General Siting: 460 From Qtr/Qtr & 920' R649-3-3. Exception Drilling Unit Board Cause No: Eff Date: Siting: R649-3-11. Directional Dr: (-05)		



DIVISION OF OIL, GAS AND MINING APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

OPERATOR:	ENDURING RESOURCES, LLC.
WELL NAME & NUMBER:	Bonanza 5-20-9-25
API NUMBER:	43-047-37314
LOCATION: 1/4,1/4 SW/NW see	ec: <u>20</u> TWP: <u>09S</u> RNG: <u>25E 472'</u> FWL <u>1,952</u> FNL
Geology/Ground Water:	
Enduring proposes to set 2,000' of s	surface casing at this location. The depth to the base of the moderately
saline water at this location is estim	nated to be at a depth of 5,700'. This is near the proposed TD and should
be isolated by the production string	g casing and cement. A search of Division of Water Rights records shows
no water well within a 10,000 foot	radius of the center of Section 20. The surface formation at this site is the
	nation is made up of lenticular sandstones interbedded with shales and is
expected to have limited value as a	in aquifer. The Green river Formation should be found approximately 200
teet below the surface. The Green	River Formation may contain useable aquifers but they should be
adequately protected by the propose	ed casing and cementing program.
Reviewer: Brad	d Hill Date: 11-23-05
Surface:	
The predrill investigation of the sur	urface was performed on 11/09/2005. This site is on State surface, with State
minerals, and appears to be the best	et site for a location in the immediate area.
Ben Williams with DWR and Ed Bo	onner with SITLA were invited to this investigation on 11/01/2005. Both were
present. Mr. Williams had no conce	erns regarding the construction of this location or drilling and operation of thi
well as it relates to the wildlife valu	ues in the area. Mr. Williams presented Mr. Hammond, representing Enduring
Resources and Mr. Bonner, a UD	OWR recommended seed mix to be used when reserve pit and location are
reclaimed.	
ino significant stability problems ar	re anticipated with the drilling and operation of a well on this proposed site.
Reviewer: Floyd B	Bartlett Date: 11/17/2005

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed and maintained in the reserve pit.

OPERATOR: ENDURING RESOURCES, LLC.

WELL NAME & NUMBER: Bonanza 5-20-9-25

API NUMBER: 43-047-37314

LEASE: ML-45558 FIELD/UNIT: Bonanza

LOCATION: 1/4,1/4 SW/NW sec: 20 TWP: 098 RNG: 25E 472' FWL 1,952 FNL LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 659412 X 4431802 Y SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

Floyd Bartlett (DOGM), Doug Hammond, (Enduring Resources), Ben Williams (UDWR), Mike Stewart (Enduring Resources Construction Supervisor), Ed Bonner (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed Bonanza 5-20-9-25 well lies in a gentle swale underneath higher knolls to the north and east. Drainage is to the southwest. Outcrops of sandstone surface on the east part of the location.

The location is approximately 3 miles east of Bonanza, Utah, which is approximately 43 miles southeast of Vernal, Utah. Access is by State of Utah highways and Uintah County roads to an existing two track road which will be upgraded for 1.4 miles. A new road, 0.3 mile in length will be constructed to the location.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife, winter grazing for domestic sheep and hunting.

PROPOSED SURFACE DISTURBANCE: Upgrading 1.4 miles of existing 2-track road and construction of 0.3 mile of new access road; a well pad 345'x 210' plus reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: See attached map from $\underline{\tt GIS}$ database.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road to tie-in point.

SOURCE OF CONSTRUCTION MATERIAL: <u>All construction material will be</u> borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? EXPLAIN: Unlikely. Oilfield activity is common in the area and along with gilsonite mining is the dominant use.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: Big sagebrush, cheat grass, juniper, rabbit brush, annual mustard, snake broomweed, sitanion hystrix; pronghorn antelope, rabbits, rodents, songbirds, raptors, elk, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: light brown deep sandy loam. Some surface rock present. A sandstone bedrock outcrop exists on the east side of the location.

EROSION/SEDIMENTATION/STABILITY: A small drainage through the location will be diverted north around the proposed pad. The reserve pit is primarily within a cut area. No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: Surveyed by ICP, on 10-12-2005. Report submitted to SITLA.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned primarily within an area of cut. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score of 25, rating as Level I, Highly Sensitive. Operator said they would install a 16 mil. Liner with a ½" felt subliner.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: <u>Site was inspected by MOAC Archeological Consultants on 10/18/2005</u>. A report of this investigation will be placed on file.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the UDWR, stated the area is classified as high value yearlong habitat for antelope and limited value yearlong habitat for deer. He did not recommend any restrictions to the

operator.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

11/09/2005 10:15 AM DATE/TIME

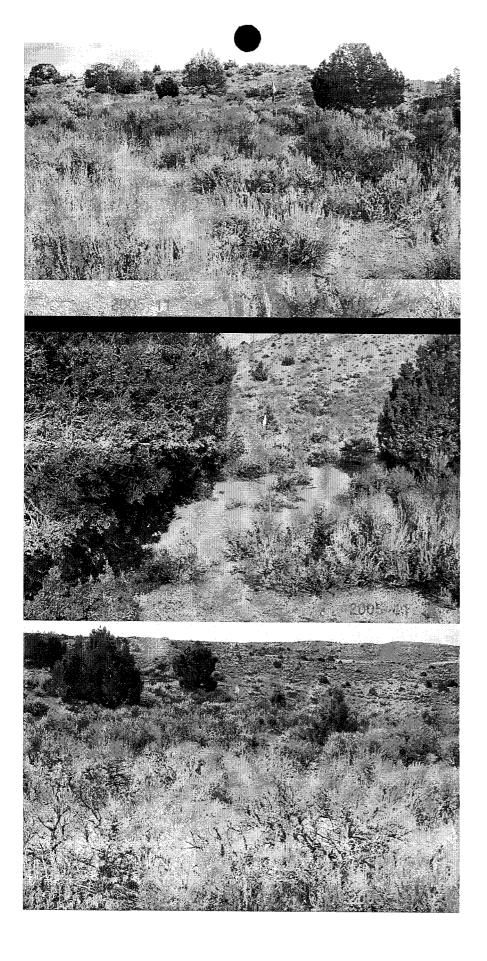
Evaluation Ranking Criteria and Ranking Score For Reserve and Onsite Pit Liner Requirements

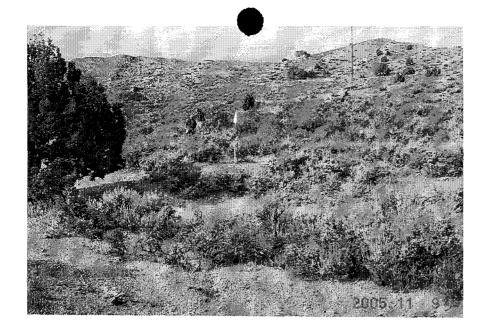
Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet) >200 100 to 200 75 to 100 25 to 75 <25 or recharge area	0 5 10 15 20	
Distance to Surf. Water (feet) >1000 300 to 1000 200 to 300 100 to 200 < 100	0 2 10 15 20	0
Distance to Nearest Municipal Well (feet)	0 5 10 20	0
Distance to Other Wells (feet) >1320 300 to 1320 <300	0 10 20	0
Native Soil Type Low permeability Mod. permeability High permeability	0 10 20	<u>20</u>
Fluid Type Air/mist Fresh Water TDS >5000 and <10000 TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	0 5 10 15	5
Drill Cuttings Normal Rock Salt or detrimental	0 10	0
Annual Precipitation (inches) <10 10 to 20 >20	0 5 10	
Affected Populations <10 10 to 30 30 to 50 >50	0 6 8 10	0
Presence of Nearby Utility Conduits Not Present Unknown Present	0 10 15	0

Final Score 25 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required. Sensitivity Level II = 15-19; lining is discretionary.

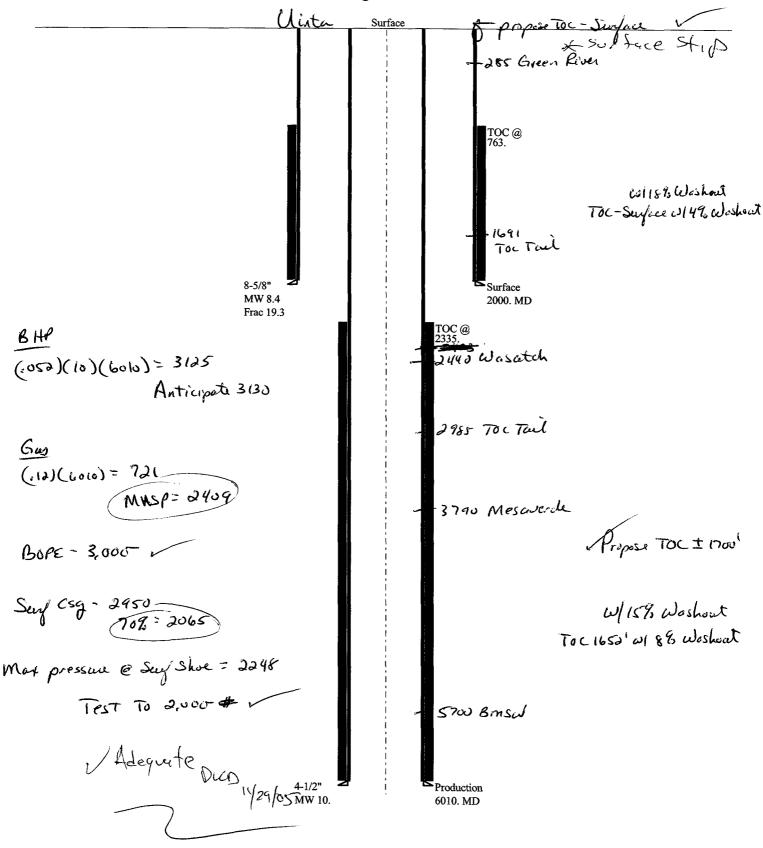
Sensitivity Level III = below 15; no specific lining is required.





11-05 Enduring Bonanza 5-20-9-25

Casing Schematic



Well name:

11-05 Enduring Bonanza 5-20-9-25

Operator:

Enduring Resources, LLC

String type:

Surface

Project ID:

43-047-37314

Location:

Uintah County, Utah

Minimum design factors: **Environment:**

Collapse

Mud weight: Design is based on evacuated pipe.

Design parameters:

8.400 ppg Design factor

Collapse:

1.125

H2S considered?

Surface temperature:

No 65 °F 93 °F

Bottom hole temperature: Temperature gradient:

1.40 °F/100ft

Minimum section length:

299 ft

Burst:

Design factor

1.00

1.80 (J)

Cement top:

763 ft

Burst

Max anticipated surface

No backup mud specified.

pressure:

500 psi

Internal gradient: Calculated BHP

0.436 psi/ft 1,372 psi

Tension:

8 Round STC:

1.80 (J) 8 Round LTC: 1.60 (J) **Buttress:** Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight. Neutral point: 1,748 ft

Non-directional string.

Re subsequent strings: Next setting depth:

6,010 ft Next mud weight: 10.000 ppg Next setting BHP: 3,122 psi Fracture mud wt: 19.250 ppg

Fracture depth: Injection pressure

2,000 ft 2,000 psi

Run Seq	Segment Length (ft) 2000	Nominal Size Weight (in) (lbs/ft) 8.625 24.00		Grade J-55	End Finish ST&C	True Vert Depth (ft) 2000	Measured Depth (ft) 2000	Drift Diameter (in) 7.972	Internal Capacity (ft³) 96.3
Run Seq	Collapse Load (psi) 873	Collapse Strength (psi) 1370	Collapse Design Factor 1.570	Burst Load (psi) 1372	Burst Strength (psi) 2950	Burst Design Factor 2.15	Tension Load (Kips) 48	Tension Strength (Kips) 244	Tension Design Factor 5.08 J

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining by:

Phone: (801) 538-5281 FAX: (801)359-3940

Date: November 29,2005 Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

11-05 Enduring Bonanza 5-20-9-25

Operator:

Enduring Resources, LLC

String type:

Production

Project ID:

Location:

Uintah County, Utah

43-047-37314

Design parameters:

Collapse

Mud weight:

10.000 ppg

Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125 **Environment:**

H2S considered?

65 °F Surface temperature: 149 °F

Bottom hole temperature: Temperature gradient:

1.40 °F/100ft

Minimum section length: 1,500 ft

No

Burst:

Tension:

8 Round STC:

Design factor

1.00

1.80 (J)

1.80 (J)

1.60 (J)

Cement top:

2,335 ft

Burst

Max anticipated surface

pressure: Internal gradient: 500 psi

Calculated BHP

0.436 psi/ft 3,122 psi

No backup mud specified.

8 Round LTC: **Buttress:**

Premium: Body yield:

1.50 (J) 1.50 (B)

Tension is based on air weight. Neutral point: 5,112 ft Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	6010	4.5	11.60	N-80	LT&C	6010	6010	3.875	139.3
Run Seq	Collapse Load (psi) 3122	Collapse Strength (psi) 6350	Collapse Design Factor 2.034	Burst Load (psi) 3122	Burst Strength (psi) 7780	Burst Design Factor 2.49	Tension Load (Kips) 70	Tension Strength (Kips) 223	Tension Design Factor 3.20 J

Prepared

Clinton Dworshak

Utah Div. of Oil & Mining by:

Phone: (801) 538-5281 FAX: (801)359-3940

Date: November 29,2005 Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

October 26, 2005

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2005 Plan of Development Bonanza Unit, Uintah County,

Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2005 within the Bonanza Unit, Uintah County, Utah.

API#

WELL NAME

LOCATION

(Proposed PZ MesaVerde)

43-047-37313 Bonanza 13-20-9-25 Sec 20 T09S R25E 0700 FSL 0700 FWL 43-047-37314 Bonanza 5-20-9-25 Sec 20 T09S R25E 1952 FNL 0472 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc

File - Bonanza Unit

Division of Oil Gas and Mining

Central files Agr. Sec. Chron Fluid Chron From:

Ed Bonner

To:

Whitney, Diana

Date:

11/18/2005 10:10:11 AM

Subject:

Well clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC

Bonanza 5-20-9-25

Bonanza 13-20-9-25

Bonanza 5-30-9-25

Bonanza 6-30-9-25

Bonanza 11-30-9-25

Bonanza 12-30-9-25

The Houston Exploration Company Asphalt Wash 5-16-11-24 Asphalt Wash 11-16-11-24

If you have any questions regarding this matter please give me a call.

CC:

Garrison, LaVonne; Hill, Brad; Hunt, Gil



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT Lieutenant Governor

November 29, 2005

Enduring Resources, LLC 475 17th St., Ste 1500 Denver, CO 80202

Re:

Bonanza 5-20-9-25 Well, 1952' FNL, 472' FWL, SW NW, Sec. 20,

T. 9 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37314.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

ce:

Uintah County Assessor

SITLA

Bureau of Land Management, Vernal District Office

Operator:	Endurin						
Well Name & Number	Bonanza 5-20-9-25						
API Number:	43-047-						
Lease:	ML-455	558					
Location: SW NW	Sec. 20	T. 9 South	R. <u>25 East</u>				

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.
- 5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2 43-047-37314 November 29, 2005

- 6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
- 7. Surface casing shall be cemented to the surface.





DIVISION OF OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DELYNCHIA DE CHARLES AND MINIMO

DIVISION OF OIL, GAS AND MINING								5. LEASE DESIGNATION AND SERIAL NUMBER: ML-45558			
				DIAN, ALLOTTEE OR TRIBE NAME:							
	SUNDRY	n/a 7. UNIT or CA AGREEMENT NAME:									
Do n	not use this form for proposals to drill ne drill horizontal lat	n/a									
	PE OF WELL OIL WELL		8. WELL NAME and NUMBER: Bonanza 9-25-12-20								
2 NA	AME OF OPERATOR:	_	GAS WELL 🚺 OTHER			<u> </u>	9. API NUMBER:				
	during Resources, LLC							4737314			
3. AE	DORESS OF OPERATOR:	Der	nver STATE CO ZIP	8020)2	PHONE NUMBER: (303) 350-5719		LD AND POOL, OR WILDCAT: lesignated			
	17th Street, Suite 1500 CITY		STATE								
FC	OOTAGES AT SURFACE: 1952' F	FNL	- 472' FWL				COUNT	y: Uintah			
Q.	TR/QTR, SECTION, TOWNSHIP, RANG			5E	S		STATE:	UTAH			
11.	CHECK APPR	ROP	RIATE BOXES TO INDICAT	ΕN	ATURE	OF NOTICE, REPO	ORT, O	R OTHER DATA			
	TYPE OF SUBMISSION				Ţ	YPE OF ACTION					
Ø	NOTICE OF INTENT		ACIDIZE		DEEPEN		片	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL			
۰	(Submit in Duplicate)		ALTER CASING		FRACTURE			TEMPORARILY ABANDON			
	Approximate date work will start:	빒	CASING REPAIR		NEW CONS			TUBING REPAIR			
	10/4/2006	片	CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE PLUG AND ABANDON				VENT OR FLARE			
	SUBSEQUENT REPORT	片	CHANGE TUBING CHANGE WELL NAME	H	PLUG BACI			WATER DISPOSAL			
	(Submit Original Form Only)	片	CHANGE WELL STATUS	PRODUCT		ON (START/RESUME)		WATER SHUT-OFF			
	Date of work completion:	片	COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELLS		TON OF WELL SITE	V	OTHER: Request for APD				
			CONVERT WELL TYPE		RECOMPLE	TE - DIFFERENT FORMATION	1	Extension			
12.	DESCRIBE PROPOSED OR CO	OMPL	ETED OPERATIONS. Clearly show all p	ertine	nt details in	cluding dates, depths, volui	mes, etc.				
	Enduring Resources,	LLC	respectfully request an exter	nsior	to the	expiration date of th	is Appl	ication for Permit to Drill			
	FROM: 11/29										
	TO: 11/29	5120	O'			Approved by the Utah Division Dil, Gas and Min	O1	COPY SENT TO CHEMITOR Doint Indick			
					Dat By:	12-07- Ball	AT.				
	ME (DI EASE DRINT) Evette Bis	sset	t		TIT	LE Regulatory Cor	nplianc	e Assistant			
	ME (PLEASE PRINT)		Bussett		DA	12/5/2006					
5.0											

(This space for State use only)

RECEIVED DEC 0 7 2006

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737314 Well Name: Bonanza 9-25-12-20
Location: 1952' FNL - 472' FWL, SWNW, Sec 20, T9S-R25E Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 11/29/2005
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No □
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
Guette Brasett 12/5/2006
Signature Date
Title: Regulatory Compliance Assistant
Representing: Enduring Resources, LLC
RECEIVED
DEC 0.7 2006



FORM 9

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

DIVISION OF OIL, GAS AND MINING								5. LEASE DESIGNATION AND SERIAL NUMBER: ML-45558			
	SUNDRY	Y NOTICES AN	D REPORTS	10	WEL	LS	6. IF II n/a	NDIAN, ALLOTTEE OR TRIBE NAME:			
Do r	not use this form for proposals to drill r drill horizontal la	7. UNIT or CA AGREEMENT NAME: n/a									
1. TY	PE OF WELL OIL WELL	8. WELL NAME and NUMBER: Bonanza 9-25-12-20									
2. NA	ME OF OPERATOR:						9. API	NUMBER:			
	during Resources, LLC							4737314			
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: (303) 350-5719								10. FIELD AND POOL, OR WILDCAT: Undesignated			
FC	OCATION OF WELL OCTAGES AT SURFACE: 1952' TRACTER, SECTION, TOWNSHIP, RAN	_	20 9S 25	E	S		COUN	ry: Uintah			
								HATU			
11.	CHECK APPI	ROPRIATE BOXE	S TO INDICATE	N/	ATURE (OF NOTICE, REPO	PRT, O	R OTHER DATA			
-	TYPE OF SUBMISSION				TY	PE OF ACTION					
✓	NOTICE OF INTENT	ACIDIZE	[DEEPEN			REPERFORATE CURRENT FORMATION			
	(Submit in Duplicate)	ALTER CASING	l		FRACTURE	FRACTURE TREAT		SIDETRACK TO REPAIR WELL			
	Approximate date work will start:	CASING REPAIR	I		NEW CONSTRUCTION OPERATOR CHANGE			TEMPORARILY ABANDON			
		CHANGE TO PREVIO	DUS PLANS [TUBING REPAIR			
	SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE TUBING	[PLUG AND A	ABANDON		VENT OR FLARE			
Ш		CHANGE WELL NAM	ie [PLUG BACK			WATER DISPOSAL			
	Date of work completion:	CHANGE WELL STA	TUS [PRODUCTIO	N (START/RESUME)		WATER SHUT-OFF			
	Date of work completion.	COMMINGLE PRODU	CING FORMATIONS		RECLAMATI	ON OF WELL SITE	/	OTHER: Request for APD			
		CONVERT WELL TY	PE [RECOMPLE	TE - DIFFERENT FORMATION		Extension			
12.	DESCRIBE PROPOSED OR CO							cation for Permit to Drill			
	FROM:	12/7/2007									
TO: 12/7/2008 Approved by Utah Division							the a o f				
The	e BLM has not yet gran	ated an APD for this	e woll			Oil, Gas and M	ining				
1110	e bew has not yet gran	ited an Ai B for the	, wen.								
					Da:	B. LUVI					
NAME (PLEASE PRINT) Alvin R. (AI) Arlian TITLE Landman - Regu							ılatory	Specialist			
SIGNATURE						11/29/2007	- Art				

(This space for State use only)

RECEIVED

DEC 0 5 2007



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304737314 Well Name: Bonanza 9-25-12-20 Location: 1952' FNL - 472' FWL, SWNW, Sec 20, T9S-R25E Company Permit Issued to: Enduring Resources, LLC Date Original Permit Issued: 11/29/2005						
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.						
Following is a checklist of some items related to the application, which should be verified.						
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes□No□						
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑						
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑						
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☑						
Has the approved source of water for drilling changed? Yes□No☑						
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑						
Is bonding still in place, which covers this proposed well? Yes ☑No ☐						
11/29/2007						
Signature Date						
Title: Landman - Regulatory Specialist						
Representing: Enduring Resources, LLC						

RECEIVED

DEC 0 5 2007



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 9, 2008

Al Arlian Enduring Resources LLC 475 17TH Street, Ste. 1500 Denver, CO 80202

Re:

<u>APD Rescinded – Bonanza 5-20-9-25, Sec. 20, T. 9S, R. 25E Uintah County, Utah API No. 43-047-37314</u>

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 29, 2005. On December 7, 2006 and December 6, 2007, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 6, 2008.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File

SITLA, Ed Bonner

